

The AMERICAN OBSERVER

A free, virtuous and enlightened people must know well the great principles and causes on which their happiness depends. — James Monroe

VOLUME II, NUMBER 9

WASHINGTON, D. C.

NOVEMBER 2, 1932

Republics of South America in Turmoil

Paraguay and Bolivia Fight for Chaco; Peru and Colombia at Odds Over Leticia

UNEASINESS EXISTS ELSEWHERE

People Seek to Overthrow Governments as Depression Effects Continue

Practically the whole South American continent is today in a state of uneasiness and turmoil. Nations which are not at odds with their neighbors are plagued with internal dissensions. Two of the republics—Bolivia and Paraguay—are engaged in actual warfare although they have not officially declared war. Two more—Colombia and Peru—have made all preparations necessary to conduct hostilities against each other. They have called for recruits, purchased additional munitions and food supplies, and levied taxes for war purposes. Brazil, the largest of the countries, is today trying to mend the wounds of a three months' civil war—the most extensive in the history of that republic, if not of South America. Chile is seething with internal strife as government after government has been overthrown in the last few months. Ecuador is now making an attempt to restore political stability by means of general elections after having quelled an unsuccessful revolutionary movement two months ago.

The remaining three nations—Argentina, Uruguay and Venezuela—are having troubles of a different nature. Although relatively free from serious internal or external disturbances, they are fighting desperately to throw off the ill effects of the depression. The governments are seeking methods of raising funds to pay their ordinary expenses, such as government salaries and military costs, and interest on their debts to foreign nations. This task has become difficult because the people have no longer the money with which to pay higher taxes. Thus storm clouds hover over the entire South American continent.

The Gran Chaco

The most serious of these troubles is, of course, the dispute between Paraguay and Bolivia over a territory known as the Gran Chaco. This disputed region—a 100,000-square-mile area—is located between the two countries on the Pilcomayo and Paraguay Rivers. Since the early part of June, military forces of the two countries have been engaged in constant warfare in the Chaco. For the moment, Paraguay has the upper hand, having wrested from the Bolivians a number of strategic forts. The League of Nations has tried to induce the warring nations to cease their hostilities. The other American nations have also attempted to effect a settlement. Despite efforts of both, however, the dispute continues unabated and the only chance for immediate cessation of hostilities lies in the fact that the rainy season will soon begin in the Chaco, making fighting difficult for five or six months. Meanwhile, each country is trying to gain the advantage by holding the important posts.

This fight for control of the Gran Chaco is not new. For more than fifty years, Paraguay and Bolivia have been at odds over this disputed region. Both claim legal title to it. Both have brought forth

(Concluded on page 8)

Straw Vote Results

State	Candidate		Electoral Votes	
	Hoover	Roosevelt	Hoover	Roosevelt
Alabama	126	720	.....	11
Arizona	97	180	.....	3
Arkansas	24	140	.....	9
California	1,980	2,635	.....	22
Colorado	435	491	.....	6
Connecticut	63	65	.....	8
Florida	120	265	.....	7
Georgia	63	481	.....	12
Idaho	37	68	.....	4
Illinois	2,420	2,201	29	.....
Indiana	1,218	1,352	.....	14
Iowa	789	848	.....	11
Kansas	1,873	2,390	.....	9
Kentucky	61	230	.....	11
Louisiana	49	307	.....	10
Maine	140	110	5	.....
Maryland	104	123	.....	8
Massachusetts	576	329	17	.....
Michigan	1,456	1,513	.....	19
Minnesota	620	813	.....	11
Mississippi	18	135	.....	9
Missouri	317	461	.....	15
Montana	615	770	.....	4
Nebraska	111	222	.....	7
New Hampshire	147	201	.....	4
New Jersey	1,457	1,348	16	.....
New Mexico	103	318	.....	3
New York	1,534	1,454	47	.....
North Carolina	314	1,072	.....	13
North Dakota	161	216	.....	4
Ohio	1,114	1,089	26	.....
Oklahoma	256	422	.....	11
Oregon	597	758	.....	5
Pennsylvania	937	947	.....	36
Rhode Island	44	24	4	.....
South Carolina	28	297	.....	8
Tennessee	65	194	.....	11
Texas	209	871	.....	23
Utah	23	55	.....	4
Vermont	48	35	3	.....
Virginia	211	369	.....	11
Washington	105	250	.....	8
West Virginia	107	213	.....	8
Wisconsin	1,792	2,836	.....	12
Wyoming	49	147	.....	3
Dist. of Col.	680	813	.....	.....
	23,293	30,778	147	374

Roosevelt Leads in Straw Vote but Returns Show Close Race in Many States

Up to the time of our going to press we have received straw vote reports from nearly a thousand schools in forty-five of the forty-eight states. We had hoped to have returns from a much larger proportion of the schools to which the ballots were sent. We had hoped to be able to record a much larger total of votes, but even so, more than 57,000 ballots have been cast and this is enough to furnish interesting results.

Of the 57,066 votes cast, Roosevelt received 30,778, or almost exactly 54 per cent. Hoover received 23,293, or about 41 per cent. Thomas received 2,153, or about 4 per cent. Less than one per cent of the votes were distributed among the minor candidates, as follows: Coxe, 459; Upshaw, 180; Foster, 149; Reynolds, 54.

Of the forty-five states reporting, Roosevelt carried thirty-seven and Hoover carried eight. The states which gave majorities to Roosevelt have 374 electoral votes, while those carried by Hoover have 147. The states not reporting, South Dakota, Delaware, and Nevada, have ten votes. There are 531 votes in the electoral college and 266 are necessary to elect a president. Several of the states carried

by Roosevelt are so close, or returns are so meager, that a definite trend of sentiment is not clearly indicated. Colorado, Connecticut, Indiana, Iowa, Michigan, Pennsylvania and New Hampshire are in this class. On the other hand, three states which in this poll went to Hoover did so by very narrow margins. These states are New York, Illinois and Ohio. If President Hoover should win these three states in the election next week, and also the seven states which in this straw vote went to Roosevelt by very small margins, and if he carried the three states not reporting, his electoral vote would be 251, or fifteen short of election.

These figures indicate that if President Hoover is to be reelected, he must carry states which in this high school poll went to Roosevelt by fair margins. Of course, in some of these states there are so few schools reporting that it would be unsafe to draw conclusions from them. As to whether the votes of the high school students taking part in this poll represent the sentiments of the voters of their states, we do not know and do not predict. You will probably find it interesting to keep these results until next week.

Minor Parties Make Campaign for Votes

Personalities of Major and Minor Party Candidates Attract Attention of Voters

PARTIES' HISTORIES REVIEWED

Minor Parties, for Most Part, Maintain More Radical Views Than Others

From week to week we have been devoting considerable space to the presidential campaign. We have explained the positions of the Republican and the Democratic parties and we have outlined the programs of President Hoover and Governor Roosevelt. But there are other parties and candidates in the field. Let us, then, in this final week of the campaign, review the procession of parties and candidates, major and minor, as, figuratively, they pass by for inspection.

Republican Party

First comes the G.O.P., which for generations has meant to its faithful followers the "Grand Old Party." The Republican party was organized in 1854, fought its first presidential campaign in 1856, and won its first presidency in 1860 with Abraham Lincoln as its leader. In these early campaigns the Republicans opposed the extension of slavery and favored a protective tariff. The slavery issue passed out of politics with the war that followed. The Republicans have continued to be the high tariff party. People of all classes and occupations belong to this party, but the backbone of its support has come from the business and industrial interests and from those who follow the leadership of business men. Most bankers are Republicans. Most manufacturers, heads of corporations, and business men, large and small, are Republicans, with the exception of those who live in the southern states. The farmers of the Middle West are predominantly Republican, but on occasions they have broken away. The Republican leaders have usually stood for the principle that the best way to guarantee prosperity is to protect industry and in other ways enable industrial establishments to make money. The theory is that if business is prosperous the workers will have jobs and that the prosperity will filter down from above to all classes of the population.

The candidate of the Republican party, Herbert Hoover, was born on an Iowa farm fifty-eight years ago. He is a graduate of Leland Stanford, Jr., University. Shortly after leaving college he became a mining engineer and engaged in work of engineering and of promoting business enterprises, principally in other countries—Mexico, Canada, Australia, Italy, Great Britain, South Africa, India, China and Russia. During the early part of the World War he was chairman of the Commission for Relief in Belgium. After the United States entered the war he performed the duties of food administrator. Later he engaged in various relief activities in Europe. He served as secretary of commerce under Presidents Harding and Coolidge. He was elected to the presidency of the United States four years ago.

The Democrats

The Democratic party first bore the name Republican, then Democratic-Rep-

lican. It came into existence under the leadership of Thomas Jefferson, and Jefferson was its first president. It was the dominant American party until it split on the slavery issue. Since the Civil War it has elected but two presidents, Grover Cleveland and Woodrow Wilson. This party has the field practically to itself in the Southern states. It is ordinarily in the minority elsewhere in the Union. It is stronger than the Republican party among the laboring classes, and it controls many of the large cities, even those located in the midst of Republican territory. Because of its opposition to high tariffs, it has the support of many professional men and women and other intellectuals. Occasionally it wins the support of the western farmers. It is weakest in industrial circles. Since it has little support among the wealthy it usually lacks financial assistance for campaigns.

The Democratic candidate, Franklin Delano Roosevelt, is a fifth cousin of Theodore Roosevelt. His wife is a niece of the former president. He was born fifty years ago at Hyde Park, New York, where he still lives. He was graduated at Harvard University and the Columbia University Law School. He was a member of the New York Senate from 1910 to 1913 and served as assistant secretary of the navy during the two Wilson administrations. In 1920 he was nominated by the Democrats for the vice-presidency. Shortly thereafter he was stricken with infantile paralysis and for many months his recovery seemed doubtful, but he has regained his strength, though he is obliged to walk with the aid of canes. He was elected to the governorship of New York in 1928 and was reelected by an overwhelming majority in 1930.

Minor Parties

We come now to the minor parties—the parties which have no chance of winning. Minor parties have not flourished in the United States. There are a number of them in every campaign, but they do not thrive or grow. We maintain the two-party system. Our situation in this respect is unlike that which prevails in most other countries. In France and Germany, for example, there are a large number of parties, no one of which ordinarily has a majority. Governmental systems in Europe encourage the formation of a number of parties. The great political contests there are for the control of the legislative bodies, the parliaments. A party may not be strong throughout the nation, and yet it may be able to send a number of candidates to parliament. These members of parliament form themselves into a group, or bloc. It may be that no other party has a majority of all the votes. In that case there will have to be a combination of parties to form a cabinet, and some of the small groups, or blocs, may be taken into the administration and given places in the cabinet in order that a majority may be secured. Under a system of government like that there is some encouragement for a small group to go its independent way, even though it can hope for nothing more than to elect a few members of the parliament.



© Galloway
FRANKLIN D.
ROOSEVELT

In this country the great political prize is the presidency. A party feels that it is not successful until it can capture the presidency. In order to elect a president, something like half of all the voters of the country must ordinarily be mustered. Accordingly, people are likely to feel that if they are not voting with a party which has a chance to capture the presidency, they are throwing their votes away. Hence the

separation of voters into small, independent groups is discouraged. Nearly all the voters are herded into the two big parties which contest on something like even terms for the presidential office.

The Socialists

Minor parties we do have, however, and the largest of them is the Socialist party. It has had candidates in the field since 1900, and in 1912 and again in 1920 it polled almost a million votes. The Socialist party is similar to the Labor party in Great Britain. The views of its leaders are similar to those of Ramsay MacDonald (or at least of those which Ramsay MacDonald held while he was at the head of the Labor party), of Arthur Henderson, George Lansbury and the other British Labor leaders. The party advocates public ownership of the large industries. Its goal is the public ownership and operation of most industries, and the substitution of public for private control of business establishments. But the leaders of the party do not expect such a radical program to be put through in the near future. Their immediate aim is to build sentiment in favor of public ownership of a limited range of industries. They would have the government own banks, railroads, mines, electric and gas companies and certain other large industries which are so completely organized that they have practically weeded out competition.

A straw vote was taken in Columbia University the other day and Norman Thomas, the Socialist candidate, had the highest number of votes, followed by Hoover and Roosevelt. The *Forum* magazine took a poll of the men and women who contribute its articles, and about as many of these contributors were for Norman Thomas as were for the other candidates. The Socialist candidate has a wide following among the intellectual classes, but these classes do not produce many votes. In countries where the Socialist party is strong, it derives its chief support from the laboring classes, and the laborers in this country have not gone over in great numbers to socialism. The leaders of organized labor oppose any kind of labor party. They prefer to throw their strength to a party which has an immediate chance to win; namely, to the Republican or the Democratic parties, whichever one seems most friendly at the time to labor interests. The weakness of the Socialist party comes, then, from the fact that it lacks support among the masses.

Norman Thomas, the Socialist candidate, is forty-eight years old. He was born in Marion, Ohio, was graduated at Princeton University and the Union Theological Seminary. For some time he was a minister in the Presbyterian church. He left the ministry to become editor of the magazine, *World Tomorrow*. He has written a number of books. He became a leader of the Socialist party and was a candidate for governor of New York in 1924, for mayor of New York City in 1925 and again in 1929. He ran for the presidency in 1928. He is a scholarly man and an excellent speaker. Few people would question the assertion that from the standpoint of character or ability he stands shoulder to shoulder with the Republican and Democratic presidential candidates.

Communist Party

A more radical party than the Socialist is the Communist party. It was organized in 1921 as an offshoot from the Socialist party. It is international in character and is closely associated with the Communist

party of Russia, the party which rules the land of the Soviets. The Communists' program calls for the wiping out of existing governmental machinery in this country and the establishment of a régime like that of Soviet Russia. The Communists would go much farther than the Socialists. They would socialize all industries, large and small; that is, they would provide that public ownership should take the place of private ownership. They believe in a world-wide revolution of workers to overturn capitalist governments and to set up communistic governments in their places. They emphasize equal rights for the Negroes, and have nominated a Negro, James W. Ford, for the vice-presidency. The support of the Communists comes wholly from the workers. They have no following among other classes, and they have made little headway with the workers. In the last presidential election the party throughout the country polled less than 50,000 votes. This group is so small that little would be heard about it were it not for the radical nature of the program which it advocates. Many people who fear the growth of Communism think it is much stronger than it really is.

The Communist candidate is William Z. Foster. He was born in Massachusetts fifty-one years ago. He went to work when he was ten years old, and had but three years of schooling. He has been a typefounder, an engineer, brakeman, longshoreman, and has worked at other occupations. At present he is a railroad car inspector. He was expelled from the Socialist party in 1909 and became a member of the I. W. W. (Industrial Workers of the World). He has written a number of books on labor and revolutionary movements.



© Acme
VERNE L.
REYNOLDS

Since that time, though it has never polled more than about 36,000 votes. It reached this figure in 1896 and again in 1920. This party, like the Communist, would do away with our government as it now exists. It would abandon our plan of having separate states. It would have officers elected from among the workers of different industries rather than from territorial sections, such as our states and congressional districts. It would have the industries owned and operated by the people.

The candidate of the Socialist Labor party, Verne L. Reynolds, was born in Parsons, Kansas, forty-eight years ago. He has been a farmer, and a pipe fitter, and has worked at other occupations. He has been an active labor organizer and has been prominent in radical activities.

Farmer Labor Party

The Farmer Labor party was organized four years ago in an effort to bring together farmers and workers in order to free these classes from what is considered by them the domination of the business and industrial classes. The program of the party includes demands for the payment of \$2,500,000,000 as soldiers' bonus, with paper money issued for that purpose, a prohibition against the foreclosure of real estate mortgages for five years, unemployment insurance, ownership of banks by the state and local governments, free coinage of silver, the issuing of paper money, public ownership of railroads and public utilities, a six-hour day with a minimum wage of one dollar an hour, and increasing taxes on large incomes.

The candidate of the Farmer Labor party is Jacob Coxey, who was born in Pennsylvania seventy-eight years ago. He became famous throughout the country in 1894 when he led a band of unemployed

workers to Washington. This was known as "Coxey's Army" and the march has gone down as a notable event in our history. He was a candidate on the Populist ticket for Congress, and for the governorship of Ohio. In 1931 he was elected mayor of Massillon, Ohio, on the Republican ticket, and he still holds that office.

The Prohibitionists

The other group in the field is the Prohibition party. It was organized in 1869 and has had candidates in the field regularly since 1876. Its one big issue is the liquor traffic, which it wishes to forbid by law. It has never been a large party. Its highest vote in a presidential election was in 1888, when it polled a little more than a quarter of a million votes. It played a small part in the fight for the eighteenth amendment to the Constitution. After the enactment of national prohibition laws, the party did not disband. It has had candidates in the field since, although it polled but about 20,000 votes in 1928. This year it has a fairly comprehensive platform calling for the establishment of an economic council to stabilize wages, hours and other conditions of employment and industry, unemployment insurance, currency and other reforms, though its chief issue is, of course, prohibition.

The candidate of the Prohibition party is William D. Upshaw. He was born in Georgia sixty-six years ago. He lives in Atlanta, and is editor of a magazine called *The Golden Age*. He was a member of Congress from Georgia from 1919 to 1927. He was a Democrat until 1928, when he left the party in protest against the nomination of Alfred E. Smith and the adoption of a wet platform.

Our National Conservatism

It is interesting to observe that the small parties in this country are, with the exception of the Prohibition party, interested in economic reform and that they represent the radical point of view. They appeal to those who wish a reorganization of government and industry in the interest of the poor, the unprivileged, the discontented. This is a different situation from that found in many other countries. In many places there are minority parties which are more conservative or reactionary than the large parties. In France, for example, there is a small monarchist group, and in other countries there are small forces which wish to turn back the tide of democracy. In the United States both large parties are essentially conservative. Neither advocates great changes, either in our governmental machinery or our forms of business organization.

This may be accounted for by the fact that until very recent times there has been plenty of free land. Discontented or discouraged people have been able to move westward to the frontier. Then, too, the natural resources of the country have been very great and it has been easier than in other lands for poor people to work their way up to better positions. Opportunities for advancement have been so widely distributed that most people, even though poor, have had the notion that under our system of government and industry they could better their situations. So long as the mass of people feel that way, they are not likely to call for great changes. If, owing to the disappearance of the frontier class lines should become more clearly marked powerful labor parties may develop in competition with the existing major parties, but that is a matter for the future to determine.



© Acme
WILLIAM D.
UPSHAW



© Acme
JACOB S.
COXEY

Chicago Planning Action To Collect Overdue Taxes

Cook County Will Ask Court Judgments Against Owners of Property

One of these mornings, a number of Chicago citizens may awake to find that the water supply to their homes has been turned off, that the refuse which was placed outside the night before has not been collected and that their cars, parked in ordinarily unrestricted zones, have been given tickets. If and when this happens it is more than likely that the individuals affected will know the reason why such action has been taken. However, if they do not know and should inquire at the proper sources they will be told that they have not paid their taxes and that the city cannot continue serving them unless they, in turn, are willing to help support the city.

This is one of the plans being considered by Cook County officials in order to give battle to the numerous tax resistors who have contributed to the crippling of Chicago's finances. Approximately \$200,000,000 is owed the treasury in property taxes for the years 1928, 1929 and 1930. Citizens will not pay, they have joined in a tax strike and as a result there is no money with which to pay the salaries of school teachers, policemen, firemen and other employees.

The county is now determined to press for the payment of taxes. It is preparing to go to the courts and ask judgments against 300,000 items of property on which no taxes have been paid. It is estimated, as the consequence of these proceedings, that 40 per cent of the real estate in Cook County will be declared forfeited to the state. The state will not, of course, take over this property. It will merely have a lien, or claim upon it which will deprive it of a clear title.

Why is it that Chicago taxes have not been paid? In a number of cases the reason is that the people simply do not have the money. But in the main taxes remain unpaid because of objection to the way in which they are assessed. There are many who believe themselves to be unjustly and illegally treated and they have gone on a tax strike.

The difficulty lies in the fact that the Illinois constitution requires that all kinds of property be taxed equally. Real estate and personal property are assessed at the same rate. But the trouble is that personal property is movable and can be hidden or sent away. Thus, those who hold



LA SALLE STREET, THE FINANCIAL CENTER OF CHICAGO
From an etching by E. H. Suydam in "Chicago: a Portrait" by Henry Justin Smith (Century).

mainly real property have been subject to greater taxation than those whose property is principally personal. In addition, this system has encouraged corrupt practices on the part of assessors. When making assessments they have been known to overlook personal property for the sake of private advantage.

Thus, taxes have not been equally distributed. The courts declared that the assessments for 1927 were discriminatory and hence, unconstitutional. Fearing similar action for 1928 the state tax commission set aside the assessment for that year

and called for a re-assessment. All this meant delay and uncertainty. Then, a certain property owner was able, through the courts, to have the county treasurer enjoined from collecting taxes levied on his property on the grounds that the assessment was fraudulent and unfair. This case led many citizens to refuse payment on the basis that the assessments were unjust and illegal. The case was carried to the state supreme court and last spring the decision was reversed. Now, legal difficulties have been removed although a system difficult to apply remains.

Sixteen Legislatures Pass "Lame Duck" Amendment

Twenty More States May Soon Act on Norris Law to Abolish Short Congress Session

It seems likely that the coming session of Congress will be the last short or "lame-duck" session ever to be held. Sixteen states have already ratified the Norris Lame-Duck Amendment to the Constitution and it is thought that the remaining twenty ratifications necessary to the adoption of the amendment will be forthcoming during or shortly after January when the legislatures of thirty-two states meet.

The proposed amendment is meeting with little opposition as it passes through one legislature after another. Only Massachusetts has refused to ratify it. The other sixteen states which have considered it in the course of regular or special sessions have given it wholehearted approval.

The amendment provides for a reform in our electoral system which is held to be badly needed. At present elections for the Senate and House are held every two years on the first Tuesday after the first Monday in November. One-third of the members of the Senate are chosen and a whole new House is selected. However, the candidates elected in November do not begin to take up their duties until the fourth of the succeeding March. Even then, unless a special session of Congress is convened, they do not sit in session until December—thirteen months after they have been elected. Similarly a president elected in November does not take office until March, four months after election.

But in the meantime the affairs of the nation demand legislative attention. However, such attention must be given by the old Congress which sits from the first Monday in December until the fourth of March. During this short or lame-duck session a number of senators and representatives take part in congressional proceedings although they have lost the confidence of the people in their states or districts. There is danger of their being tempted to misuse their power in return for private gain after they leave office.

It is known that at times members of Congress, still in office after defeat at the polls, have worked for legislation which would be of benefit to some private interest. This is one situation which the Norris amendment seeks to correct and which, it seems, will be corrected within a year.

Germany's Growing International Position May Eventually Bring Polish Corridor Issue to Fore

Why is Germany demanding that her right to equality of armaments be recognized? Her economic situation will certainly not permit her to construct armaments at this time and she could not soon attain a level equal to that of other nations in the absence of sweeping reductions on the part of those nations to bring their armaments down to or closer to Germany's level.

The issue is not so much a question of soldiers, guns and ships. It is not to be denied that Germany wants these if other nations have them but the problem lies deeper than this. Germany desires gradually to break down the provisions of the Versailles Treaty which place her in a position of inferiority to other powers. The armaments clause of the treaty restricts her armaments. It is one of those provisions which makes her inferior to other nations. Thus, Germany seeks to do away with it, just as she fought long and with success to rid herself of the burden of reparations.

Many people are wondering what will come next in the event that Germany is successful in disposing of the armaments question to her satisfaction. Will she seek territorial readjustments? Ever since

the war she has felt bitterly about the shuffling of frontiers which resulted in great disadvantage to her. The change which has been the greatest source of irritation is the Polish Corridor. It has long been apparent that Germany would never be satisfied with this situation and that she would one day seek some other arrangement. Will she do so if she is able to regain the right to armaments equality?

The problem of the Polish Corridor is one of the most disturbing of all European complexities. For about six centuries past, this region, comparable in size to the state of Connecticut, has belonged part of the time to Germany and part of the time to Poland. From the beginning of the nineteenth century until after the World War it was a part of Germany. But when the peace conference met after the war it was decided that Poland should have it in order to furnish her with an outlet to the sea. Thus, a wedge was driven into Germany leaving East Prussia isolated from the rest of the country. Since the war the Poles have set about systematically to "Polonize" the Corridor. The Germans are being gradually pushed out of the corridor—all of which contributes to their resentment.



© Martin Newspictures

POLAND—DETERMINED NEVER TO RELINQUISH THE POLISH CORRIDOR



© Ewing Galloway

GERMANY—DISARMED BUT HOPEFUL OF REGAINING HER FORMER POWER

The AMERICAN OBSERVER



Published weekly throughout the year (except two issues in December) by the CIVIC EDUCATION SERVICE, 744 Jackson Place, Washington, D. C.

Subscription price, single copy, \$3 a calendar year. In clubs for class use, \$1 per school year or 50 cents per semester.

Entered as second-class matter Sept. 15, 1931, at the Post Office at Washington, D. C., under the Act of March 3, 1879.

EDITORIAL BOARD

CHARLES A. BEARD
DAVID S. MUZZEY

HAROLD G. MOULTON
WALTER E. MYER
Editor

VOL. II

WEDNESDAY, NOVEMBER 2, 1932

NO. 9

Going With the Herd

If you hear a man stoutly asserting that President Hoover will be reelected you are likely to assume that he is a Republican. If, on the other hand, he declares that Governor Roosevelt will win, you probably set him down as a Democrat. We have grown used to that sort of thing. We expect everyone to attach great importance to the fact of being on the winning side. Most people lay so much stress upon numbers that they are not comfortable unless they are moving with the crowd—with the largest of the crowds. They may wish to stand out in a class by themselves in the matter of acquisition and expenditure. But they want their ideas to bear the earmarks of the herd. So they wish to be classed with the side which can count the most noses. As long as possible, they claim they are on that side.

That, of course, is not the whole story. Along with the wish to go with the herd, there is the desire for victory for its own sake. Our savage forebears no doubt experienced exhilaration when they set their feet on the chests of their conquered foes. We do not enjoy such privileges very often these days. Head cracking exploits have about gone out as a means of feeding self-esteem. We are obliged to sublimate the urge for victory. The best most of us can do is to expand our chests and feel important when "our" teams, "our" parties, "our" countries, figuratively crack heads and stand exultant over prostrate forms. A pitiful substitute for achievement it may be, but it's the only excuse for chest expansion some people have found.

It is encouraging to see, now and then, a young man or woman who is more independent of the crowd. No sensible man will try consciously to be different from his associates for simple contrariness or to "show off." That is a childish device, used by weaklings to attract attention. But neither will a self-confident, self-reliant youth, overstress the importance of running with the majority. He knows that majorities have often been wrong and have never achieved perfection. He knows that a real leader must see things that the masses do not see. He knows that popularity is not a certain hall mark of merit. He gives due regard to the opinions of others. He realizes that if the weight of informed opinion is against him, he may be wrong and must establish his case, not by falling back upon prejudice but by citing evidence and authority. But he refuses to be shaken from his convictions when his party is voted down. He is immune against the taunts of those who win.

When victory rather than defeat comes to this self-reliant youth, he will naturally rejoice at the thought that the cause in which he believes has been advanced. But he will be sobered by a sense of responsibility. He will realize that no achievement which he must share with millions gives him much excuse for personal vanity. He will remember that moderation, thoughtfulness for the defeated, poise, are evidences of the well-trained mind. And he will go on in his search for truth, listening on every occasion to the arguments of others, but determined that at all times the promptings of reason and conscience will sound louder in his ears than the din of many voices. W. E. M.



CHARLESTON, SOUTH CAROLINA, IN THE TIME OF "PETER ASHLEY," DUBOSE HEYWARD'S NEW NOVEL.

Historical Fiction

Dubose Heyward, who has written so realistically and so beautifully of his native Carolina in "Porgy," "Mamba's Daughters" and "Angel," has produced another story of southern life, "Peter Ashley" (New York: Farrar and Rinehart. \$2.50). "Porgy" and "Mamba's Daughters" dealt with Negro life. "Angel" was a story of the hill people. "Peter Ashley" is a story of the aristocracy of Charleston. The period is the beginning of the great conflict between the North and the South. The opening scene is Charleston on Secession Day, December 20, 1860; the story runs through the exciting period which followed and it closes as the boys are marching away to war.

The account of the bombardment and fall of Fort Sumter is vivid. The conflict of emotions of the soldier of the Mexican War who loved the old flag and his state as well, and of his nephew who came from England, where he had been at school in Oxford, just as the clouds of war were lowering—all this is portrayed effectively.

So many wholesome novels are dull and so many artistic works of fiction are morbid that it is not the easiest task in the world these days for one to find a novel which he can recommend for its realism, its beauty, and its idealism. "Peter Ashley" can be included in a small list entitled to such a recommendation. For that reason we commend it most heartily to our readers as a novel true to the facts of history, a novel which is highly entertaining, one which deals with interesting characters and with a dramatic situation.

European Personalities

"Not to Be Repeated" (New York: Ray Long and Richard R. Smith. \$3.00) is an anonymous book patterned somewhat along the lines of the "Merry-Go-Round." In fact, its subtitle is "Merry-Go-Round of Europe." But it differs rather widely from the famous American commentary upon political and social personalities. It is on the whole a more responsible book and less given to scandalmongering for its own sake.

The publisher, Ray Long, wished to present to American readers descriptions of political conditions and of political leaders in the different European countries. He selected several newspapermen, each one familiar with the situation in some one country. These writers prepared the chapters on the different countries and Mr. Long assembled the chapters and published them under the title "Not To Be Repeated."

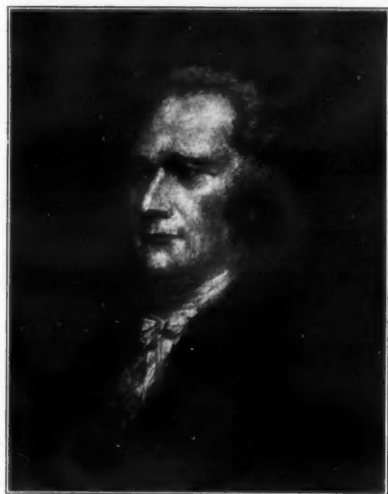
These sketches are written about European statesmen and politicians for American readers. Consequently along with the personality descriptions there is, in the case of each country, an explanation of the governmental and political background. The American reader may thus learn a great deal about the characteristics of the different peoples of Europe, about their newspapers and other institutions, about government and politics, from this book. In addition he gains an acquaintance with the prominent leaders. And these leaders, by the way, fare better at the hands of the anonymous authors of "Not to Be Repeated" than the American political characters fare at the hands of the authors of the "Merry-Go-Round." There is some scandal in the book, but there is an apparent effort on the part of the authors in most cases to be fair and sympathetic and impartial.

A Story of Depression

"Nobody Starves," by Catharine Brody (New York: Longmans, Green and Company. \$2.00), is a story of the depression and of what it did to a Detroit family. The principal characters are the kind of ordinary people one meets about the factories and shops. They were just plain citizens of the working class. This was true of Bill Redding and his wife, Molly. Then the depression came, and with it unemployment and distress and crime. This is not a pleasant story. It is a tragedy; not one of the grand tragedies of elemental forces which we watch with stimulation as

well as terror, but one of those dull, heart-breaking tragedies of everyday life, which now and then force themselves upon our attention.

The book is valuable as a record of what may happen and what does happen at a time like this. Those who know from experience or observation the miseries of poverty and unemployment and anxiety may spare themselves the pain of reading a book of this kind. But one who has not had a wide experience and who wants to know more about what a depression does to people than he can learn from statistics, will make a contribution to his own education by reading this work of fiction which rings so true to the realities of life. It would be a good thing if this book were



ALEXANDER HAMILTON

(From a portrait by Welmar in N. Y. City Hall)

to be read by all those who, in the enjoyment of comfort and security, ease their minds with the comfortable and smug assumption that the economic situation is not so bad after all, that there is not much actual want, that "nobody starves."

Alexander Hamilton

Alexander Hamilton is one of the dominating characters in American history. He played a large part in securing the ratification of the Constitution. He became the first secretary of the treasury, and so great was his fame that the friends of one of his recent successors could think of no higher praise than the title "greatest secretary of the treasury since Alexander Hamilton." This man was one of the founders of Federalism. He was the exponent of a theory of government which still exerts a powerful influence, and about him there is an atmosphere of romance. He quarreled with Washington, yet his power was felt mightily in the Washington administration. He fought Jefferson and lost, and finally he died in a duel with Aaron Burr.

This character, at once so interesting and so influential, is the subject of a new biography, "Alexander Hamilton," by Johan J. Smertenko (New York: Greenberg. \$3.50). There is history, public finance, politics in the book, but the chief interest of every chapter is the personality of Alexander Hamilton, the man. The narrative is enlivened by frequent quotations from Hamilton's letters.

Recent Magazine Articles

These articles deal with problems which are discussed in this issue of THE AMERICAN OBSERVER:

1. Political Dissent in 1932. By Sidney Hertzberg. *Current History*, November, 1932, pp. 161-166. An analysis of minor parties and minority political movements.
2. The Turmoil in South America. By Henry G. Doyle. *Current History*, November, 1932, pp. 209-213. Recent developments in South American countries.
3. Glassford and the Siege of Washington. By Fleta Campbell Springer. *Harper's*, November, 1932, pp. 641-655. How General Glassford handled the bonus army.
4. Sabotage by the R. F. C. By Bruce Bliven. *New Republic*, October 12, 1932, pp. 223, 224. An adverse criticism of the R. F. C. operations.

The Story of the Week

Hoover and Roosevelt Debate Economy; Norman Davis In London; German Elections Near

Governor Roosevelt on October 19 continued his attacks upon the policies of the Republican party in a speech which he made at Pittsburgh. The Governor claimed that the budget had not in reality been balanced, that it had a present deficit of over \$400,000,000 and faced a deficit of \$1,600,000 by the end of the present fiscal period, June 30, 1933.

The Democratic candidate charged that President Hoover was claiming credit for having balanced the budget when he has not done so, and that the Treasury Department was not able to give Congress correct estimates of the amount of needed revenue when that body was engaged in the task of raising taxes last winter. Mr. Roosevelt said that the ordinary expenses of government, over and above payments on the public debt, had increased by 50 per cent from 1927 to 1931. He blamed Mr. Hoover for extravagance and pledged himself, if elected, to reduce the cost of government by 25 per cent. As a means of raising part of the additional revenue which will be needed to balance the budget he again cited the benefits of a federal tax on beer. This would be possible through revision of the Volstead Act.

Finally, Governor Roosevelt made a statement on the bonus question which he has been accused of dodging. He reiterated a stand he had formerly taken, saying that he did not see "how, as a matter of practical business sense, a Government running behind \$2,000,000,000 annually can consider the anticipation of bonus payment until it has a balanced budget, not only on paper but with a surplus of cash in the treasury." This declaration has satisfied some who believe that the bonus issue has been taken out of the campaign. Others think that Governor Roosevelt was not sufficiently definite and did not state how he stood on payment of the bonus before maturity as a matter of principle.

A FEW days later, Saturday, October 22, President Hoover went to Detroit in order to answer the charges made by his opponent for office. The Detroit speech was the strongest given by the president during the course of his campaign up to that time. He stoutly upheld the policies of his administration, analyzed the government's expense account and declared that in order to reduce expenses by

\$1,000,000,000 or 25 per cent it would be necessary to impair the national defense, dispense with lighthouses and free half of the federal prisoners.

Mr. Hoover maintained that government expenses during his administration had actually been reduced and said that on the contrary those of New York state had been increased. The president frequently referred to the record of the Democratic controlled House of Representatives during the last session of Congress. He blamed the difficulties in balancing the budget on the conduct of this body and said that if there is a deficit this year it will be due to the Democratic members of the House. He contended that Governor Roosevelt's address was filled with "misstatements" and "distortions."

The president listed ten points which, he held, indicated that recovery had set in and would continue unless progress was halted by a change of administration. Among these, Mr. Hoover included the \$300,000,000 of gold which has flowed into this country from abroad, the decrease in hoarding, increase in the value of bonds, increase by 10 per cent of manufacturing production, increase of building contracts and car loadings, reemployment of over half a million men in August and September, the increase of exports and imports by nearly 23 per cent and the cessation of bank failures.

HITTING back at the Republicans the Democrats brought one of their most powerful guns into play on October 24. Former Governor Alfred E. Smith, idol of many Democrats, speaking in Newark, N. J., unleashed a violent attack upon the Republicans. Governor Smith laid particular stress on prohibition stating that the Republican party is still the "party of bigotry, deceit and hypocrisy." He said that Herbert Hoover was a leader of the dregs presenting as evidence the fact that a number of dry organizations and dry leaders are supporting the president.

Mr. Smith bitterly denounced the tactics of the Republican party in the 1928 campaign, paying particular attention to the activities of Mabel Walker Willebrandt who campaigned intensively against him on the basis of his opposition to the Eighteenth Amendment. He did not mention Governor Roosevelt's name until the very end of his speech when he said that

"the best way to bring back prosperity is by the election of Roosevelt and Garner and the entire Democratic ticket."

EFFORTS to find a solution for the disarmament impasse, brought about as a result of Germany's demands for equal armaments privileges, were centered in London last week. On several occasions, Norman H. Davis, American delegate to the disarmament conference, conferred with Prime Minister Ramsay MacDonald and other officials of the British government. His principal object was to get Great Britain fully to endorse the Hoover disarmament proposal for a cut of one-third in world armaments. For weeks, Mr. Davis has been trying to win Great Britain over to the American position and it appeared last

week that his efforts had not been in vain, for there were several indications that Britain was about ready to endorse the Hoover plan.

There are two reasons for this. First, a large part of the British population favors the plan as a concrete means of reducing the heavy burden of armaments. Second, the government seems to have come to the belief that a definite plan of this nature is necessary to keep Germany from withdrawing from all discussions as she might feel her demands for equality had been met if other nations agreed to make substantial reductions.

Should Britain take such action, it would, of course, be necessary to win France to the Hoover proposal. But observers feel that there is a much better chance of gaining French support if the United States and Great Britain both work to that end than if American delegates are unsupported by the British government.

THE United States government has announced its willingness to extend the armaments holiday from November to March in order to give the disarmament conference more time to reach concrete agreements. The original arms truce was to be effective for one year and was to expire November 1. Twenty-eight nations have now agreed to extend the truce for four months during which time they are bound not to undertake new construction of ships. They may, of course, go ahead with the construction already begun before the international agreement, and may replace ships which are out of date.

The original intention of the truce, proposed by Dino Grandi at the meeting of the League of Nations last year, was to eliminate active competition among the nations on the eve of the convening of the disarmament conference. It was felt at that time that a race for naval supremacy would have an unfortunate psychological effect upon delegates assembling for the purpose of limiting armaments.

TWO days before the American electorate goes to the polls, the people of Germany will elect a new Reichstag to replace the body which was dissolved in September by presidential decree. In this election, as in all German elections during the past two years, Adolf Hitler, leader of the National Socialist Party, is seeking to gain sufficient votes to put him at the head of the government. In the final stages of the campaign Hitler has announced emphatically that he will take no part in a coalition government, or a cabinet composed of members of opposing political faiths. He must have complete power or nothing.

In the last Reichstag elections, held on July 31, they received about 37 per cent of the total votes and won 230 seats in that body of a total of 607. Thus, neither the Hitlerites nor any other political party had sufficient strength to form a government and the Reichstag had to be dissolved. It is possible that a similar situation will result from the elections next Sunday.

A SERIOUS situation confronted the city of London last week as two thousand jobless men and women marched toward the city, demanding food and clothing. A group of them appeared before the County Council which has charge of such relief measures, and demanded that



F. O. B. DETROIT

—Talbot in Washington News

each unemployed family be provided with 100 pounds of coal a week, a pint of milk a day for each child, boots and shoes for the unemployed, and a 25 per cent reduction in the rent of all houses.

The marchers came from all parts of England, Wales and Scotland. En route, they were offered food and shelter by various labor organizations. Although the marchers refrained from hostile demonstrations along the road, it was apparent that they were embittered against the government, for they carried banners which read "We refuse to starve in silence" and "Down with the National Government."

PRESIDENT HOOVER has requested the United States Tariff Commission to investigate the cost of production in foreign countries of sixteen different items imported into the United States. The object of the investigation will be to determine whether the rate of duty on those products should be increased in order further to protect American producers and workers. The products to be investigated by the Tariff Commission include rag and grass rugs, brushes, electric light bulbs, cutlery, pottery, rubber boots and shoes, leather gloves, silverware, jewelry, canned vegetables and several others.

It is President Hoover's belief that increased quantities of these articles have been and are being imported into this country at the expense of American producers. In his letter to the Tariff Commission, the president stated that the numerous countries now with depreciated currencies are in a position to manufacture these products more cheaply than formerly and as a result can sell them at lower prices in this country. If the Tariff Commission finds, after its investigation, that such is the case, the president will have the power automatically to raise the tariff rates on those articles by as much as 50 per cent.

IN an address delivered in Turin on October 23, Benito Mussolini, Italian dictator, made a strong appeal to the United States to cancel or reduce war debts. Il Duce has been advocating such a course for some time as a necessary step in the restoration of world prosperity. In a similar speech in Naples last year, Signor Mussolini urged the world to "wipe the slate" of the "tragic bookkeeping" which had followed the war. He had nothing but praise for the accomplishments of the Lausanne Conference which virtually cancelled German reparations and stated that it was up to the United States not to cause further shocks and disturbances to the world by refusing to be lenient in the matter of war debts.



THE LEAP FROM THE FRYING PAN

—Darling in N. Y. HERALD-TRIBUNE



Demand for Strong Government

LAST week we discussed the conflict of interest between different groups in the colonies before the Revolution. During the Revolution these differences were submerged to the necessities of the military campaigns. After the Revolution was over the differences of interest and opinion were more clearly marked than they had been before. On the one hand were the poor people, the farmers, the laborers—in general, the debtors. We discussed their situation in some detail last week. On the other side were the propertied interests. Let us see why it was that they wished so earnestly for a stronger government than the Articles of Confederation afforded them.

Creditors were very uneasy. Men who had made loans of money were afraid that these loans would be practically wiped out through a debasing of the currency. It was very hard to collect money in those days. If a creditor brought suit against someone who owed him money, it was almost impossible for him to get a judgment in the local courts, for sentiment was so strong in favor of debtors and so strong against money lenders. There was danger, also, that the separate states might set the printing presses to work and issue paper money. This paper money would be worth very little, and yet by law debts might be made payable in the depreciated paper. The creditors were naturally anxious, therefore, to have a national government strong enough to forbid the issuance of paper money in the states, as the British government had done before the Revolution. They were anxious also to have a government strong enough to prevent disorder, for disorder always threatens the security of property.

Position of the Speculators

In addition to these ordinary money lenders, there was another class of creditors anxious to secure a stronger government. These were men who had made loans to the Confederation. They had bought bonds issued by the Continental Congress. These men, who had originally bought the bonds, naturally wanted the money that they had paid for them paid back at full value. Everyone recog-

nized the justice of that. But another class of bondholders was not so popular. These were speculators who had bought bonds after they had fallen in value. Many of the original holders of the bonds, thinking that they would never be paid back by the Continental Congress, sold their bonds at only a fraction of what they had paid for them. These bonds fell in value during a time when it seemed probable that they might never be repaid. They were bought up by speculators. After the war was over these speculators wanted to be paid back the full price of the bonds.

Here was the situation: Mr. A, let us say, had made a loan of a hundred dollars to the Continental Congress. He had received in return for it a bond, or a promise to pay back that one hundred dollars at a later date. After a while it looked as if the Congress might never be able to pay. Its promise fell in value. The bond depreciated. Mr. A could sell it now for only ten dollars. He needed the money. Mr. B, a speculator, came along and gave him ten dollars. Then when the war was over, Mr. B demanded that the Continental government, or any other national government which might be formed to take its place, should pay him one hundred dollars for the bond—the bond for which he himself had paid but ten dollars. It was argued that only by redeeming the bonds dollar for dollar could the national credit be maintained. These speculative bondholders, and there were very many of them and they were among the richest men in the country, wanted a strong national government which could levy and collect taxes. Thus only would the government have enough money to pay off these bonds.

The merchants were anxious to have a strong government which could establish a stable currency. It was hard to do business because there were various kinds of money in circulation. Manufacturers wanted a government which had the power to levy import duties. The government might then tax foreign goods coming into the country and protect these young manufacturing industries which were having to meet competition from England. So we see that many of the wealthy classes wished to establish a strong national gov-

ernment to take the place of the Confederation. They wanted a government which could and would protect property rights.

Propertied Classes in Control

These propertied classes brought about the calling of a convention to revise the Articles of Confederation. They got themselves elected as delegates. They then voted, not to revise the Articles of Confederation, but to establish a new constitution and a new national government.

They proceeded to do this. They wrote the Constitution of the United States. They created a strong national government. This Constitution prohibited the states from issuing paper money. It gave to Congress the right to levy and collect taxes. It gave to the president the command of the army, and it granted him almost dictatorial powers, if they should be needed to put down disorder. It gave to the Congress the right to regulate trade among the states and with foreign nations.

Then, lest the poor people, whom they feared, should get control of the government, the makers of the Constitution provided that most of the officers should not be elected directly by the people. The House of Representatives was to be chosen by direct popular vote, but the Senate was to be chosen by state legislatures. A national judiciary was established and the judges were to be appointed by the president. The justices of the Supreme Court were to hold their positions for life, and a president was to be elected, not by the people, but by an electoral college composed of delegates elected by the people of the several states.

Election of the President

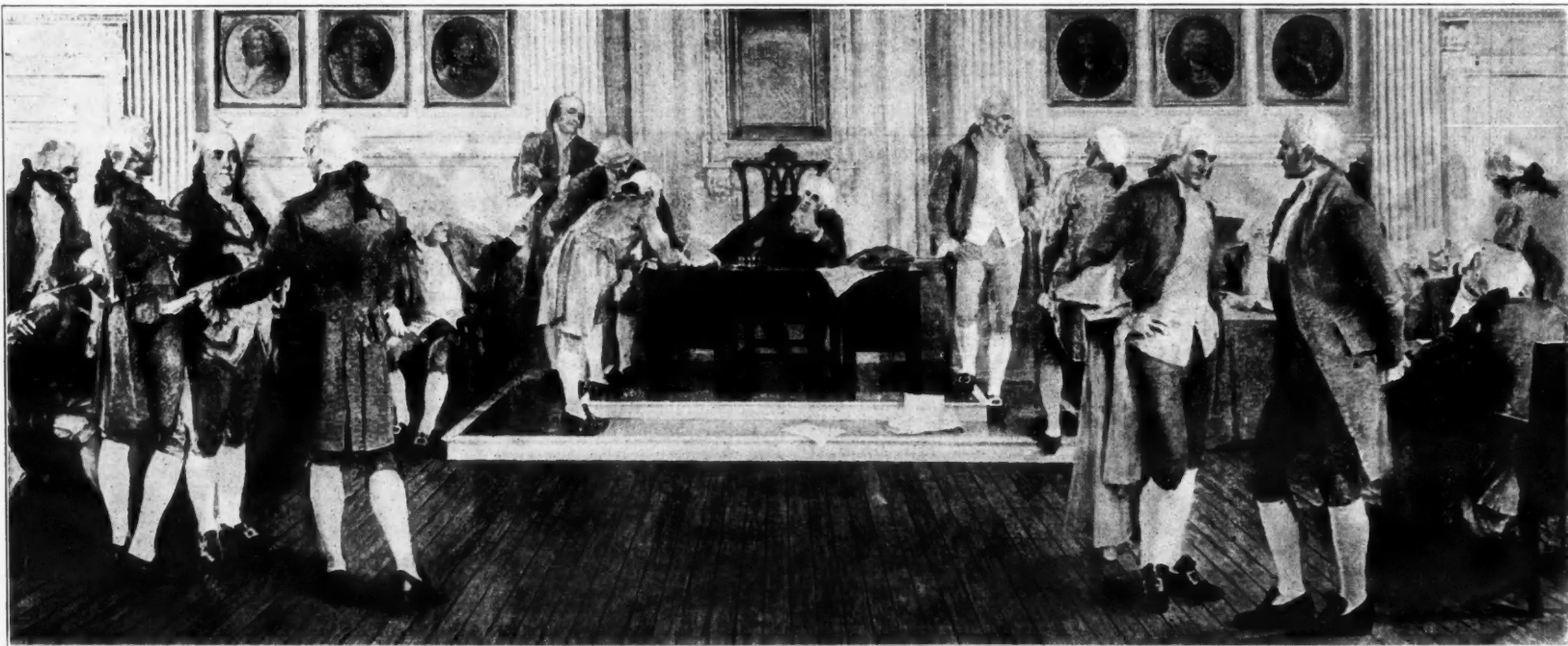
Since the people of the United States will go to the polls next week to select electors, it may be well to describe the process by which the president is elected. Remember that when the voters of your state go to the polls next Tuesday, they will not vote for candidates for president or vice-president. Your state has a right to choose as many electors as it has senators and representatives. Each

party nominates as many electors as the state is entitled to have. It is these electors for whom the voters cast their ballots.

The men who are chosen from your state as electors will meet in the state capital in January and cast their votes for a president and a vice-president. Legally, they may vote for whomever they choose. As a matter of fact, they will vote for the men whom the party which they represent nominated in national convention last summer. But this part of the plan was not intended by the framers of the Constitution. They did not realize that the people, acting through their parties, would pledge electors in advance. They intended that the electors should choose whomever they saw fit.

The ballots cast by the electors are sealed and sent to Washington. In February they are opened at a joint session of the Senate and House of Representatives and counted. If no candidate has a clear majority, the election goes to the House of Representatives. But in this election each state has but a single vote. The members of the House from each state caucus and decide for whom they will vote. It seldom happens that the election of a president goes to the House of Representatives. In nearly every case there is a majority in the electoral college for some candidate when the votes are counted and he is declared elected. This result is determined in advance at the November election, however, so that everything which follows the November election is mere formality.

It is not to be assumed, however, that the Constitutional provision for the election of the president by an electoral college does not affect the conduct of our campaigns. It has a marked effect. If the president were elected directly by the people, a vote in one part of the country would count as much as a vote in any other. Each party during a campaign would try simply to amass as many votes as possible. But as things stand, parties concentrate their efforts to carry certain doubtful states. New York, for example, has forty-seven votes in the electoral college. If one of the parties receives a majority of as much as one vote in the state of New York, the candidate of that party will receive the entire delegation of forty-seven electoral votes.



THE SIGNING OF THE CONSTITUTION. (FROM A PAINTING BY ALBERT HESTER IN THE STATE CAPITOL AT MADISON, WISCONSIN).

—Photo by Ewing Galloway

Controversies Arise Over R. F. C. Loan Policies

**Many Applications for Help Have Been Made
But Few Granted; Interest Rates
Question Presents Difficulties**

What is the Reconstruction Finance Corporation doing to lift us out of the depression? Are the criticisms which are being leveled against it fair and just? What are some of the problems connected with the carrying on of its activities? These are questions which many people are asking.



CHARLES G. DAWES
Who first headed the R. F. C.

Shortly before it adjourned Congress passed an act appropriating \$2,100,000,000 for depression relief. The money was placed at the disposal of the Reconstruction Finance Corporation. It was authorized to spend \$300,000,000 for public works which the government had contracted. It was to lend \$300,000,000 to states for the relief of distress. The rest of the fund, or a billion and a half dollars, was to be loaned to states, counties or cities, or to private companies. The loans were to be made only provided the money was to be spent on "self-liquidating" works; that is, on something that would yield profits and thereby make possible the repayment of the loans. For example, the R. F. C. might make a loan to a city for the building of a toll bridge, because a profit could be made through the charging of tolls and a fund might thereby be created for the repayment of the loan. But the R. F. C. could not lend money for the building of a school building, for school buildings do not yield financial profits. Such works are not "self-liquidating."

Up to October 1, the R. F. C. had put very little of the money entrusted to it to work. Applications for loans to the number of 243 had been received, but only three had been granted. To the Water District of Los Angeles \$40,000,000 had been promised, while \$13,000,000 had been promised to the New Orleans Belt Line for a bridge and \$105,000 had been promised to Madison, South Dakota, for an electric light plant. These are all the loans that had been made.

Of the \$300,000,000 set aside for relief funds to the states, about \$34,000,000 had been passed out to twenty-three states. Before a state can secure any of this money it must prove that there is need for emergency relief and that the state government has not the resources, even with the aid of private charity, to meet the emergency. The R. F. C. officials are exacting in their demands for evidence, and many state officials who have gone to Washington for relief have returned empty handed.

But why has the R. F. C. been so slow in making loans to states and other organizations? For one thing there has been much haggling over the question as to whether the projects for which loans were asked were, in fact, self-liquidating. The



BOARD OF DIRECTORS OF THE RECONSTRUCTION FINANCE CORPORATION
Left to right: Atlee Pomerene, Chairman; Charles A. Miller; Harvey C. Couch; Wilson McCarthy; Morton G. Bogue, General Counsel; George R. Cooksey, Secretary; and Jesse H. Jones. Gardner Cowles and Ogden L. Mills not present.

R. F. C. officials have been careful not to take chances with the money entrusted to them. Their critics declare that they are more interested in saving the money than they are in relieving distress, but their defenders insist that they are carrying out the intent of the law.

Then there is the question as to the interest rate which shall be charged. The R. F. C. gets the money from the U. S. Treasury and pays 3.5 per cent interest. Thus far it has secured 5 per cent on the money it has loaned. It is objected in some quarters that this is an ungenerous practice—one not calculated to put money to work and to relieve distress. It is argued on the other hand, that if the R. F. C. were to put out money at lower rates the banks would be hurt by the competition, and it is held important that the banks should be induced to help finance the projects.

Whatever the merits of the case may be, the fact is that applications for help in financing water works, bridges, irrigation systems, slum clearance housing projects, airports and tunnels to the amount of

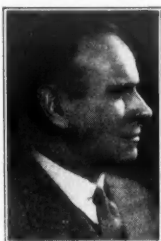
\$800,000,000 have been made and have not been granted. *The Business Week* declares that if these projects for which loans have been asked were carried out, one million men would be employed directly and three millions in associated industries would be put to work.

WAR DEBTS

With the next installment of European debts to the United States government due on December 15, the complex problem of war debts became an important topic of discussion in European capitals last week. Speculation as to what America's debtors, particularly France and Great Britain, would do about their first payment since the Hoover moratorium has become general. In France, it was reported that the French government would make attempts to secure more favorable terms as soon as the presidential election in this country is over. Accordingly, the French Chamber of Deputies was prevented from discussing the matter in its meeting last week by political leaders.

Glassford, Police Chief in Bonus Fray, Resigns

General Pelham D. Glassford, central figure in the controversy over the eviction of the "bonus army" from Washington last summer, has resigned his position as chief of police of the District of Columbia. Is this a result of his opposition to the Hoover administration's tactics regarding the bonus marchers? The *Washington News* says it is:



© H. & E.
PELHAM D. GLASSFORD

When General Glassford, chief of police, defied the Administration's ruthless handling of the bonus marchers last summer, people said the Powers would get him. They have. Technically, Glassford has resigned. The District Commissioners, Hoover appointees, blocked the chief's effort to break up the "police machine." Instead of standing by the chief in his reforms, as they promised when they induced him to take the thankless job less than a year ago, they backed the old police clique. That forced him out.

But there is another side to the story. Commissioner Reichelderfer denies that the administration had anything at all to do with Glassford's resignation. The commissioner said:

Glassford had many good points to commend him. But he had other points that made him very difficult to work with. When he undertook to remove an important subordinate we felt that we were entitled to be consulted beforehand.

Whatever the merits of this controversy, the retiring police chief of the capital city is an interesting character. He was born in New Mexico, the son of an

army officer. In his youth he spent much time traveling between western army posts and Washington, where he went to art school. When he was seventeen, he entered West Point and graduated the youngest member of the class of 1904. During the war he was presented with a Distinguished Service medal, an award for "high military attainments and unceasing energy." After the war he spent much time in Washington where he continued his art work. His paintings have been hung in prominent art galleries in the East. At the age of forty-seven he retired from the army, and was determined to devote his life to art. But a short time later General Glassford was asked by an old friend and superior, General Crosby, the commissioner in charge of police affairs, to be chief of police.

HELEN KELLER

Miss Helen Keller recently received the 1931 award of \$5,000 which is offered annually by *The Pictorial Review* to the American woman who has made the most noteworthy contribution to art, science or social welfare. Miss Keller, who has been blind and deaf since infancy, has long been prominent for her untiring social work to improve living conditions of the blind and deaf. Within the last year she has given lectures throughout the country, and also has done a great deal of writing. Through these two sources she has raised a fund of \$1,000,000 which has been devoted to the American Foundation for the Blind.



© H. & E.
HELEN KELLER

Abbe Dimnet, French Priest and Writer, Is to Deliver Series of Lectures in America

Abbé Ernest Dimnet, French priest who is so widely known and respected in this country as the author of "The Art of Thinking" and "What We Live By," has come to America to deliver a series of lectures. He says that America needs leadership of the sort which is furnished to India by Mahatma Gandhi. We need, he thinks, a leader of spiritual power, one who is universally respected for his uprightness of character and for his spirit of self-sacrifice. He believes the American people would respond if such a leader should appear.

The *Saturday Review of Literature* tells how this French scholar acquired his mastery of the English language:

When he was a little boy, half a century or more ago—he was born at Treton in northern France in 1866—an uncle taught him English; in that language he became acquainted with Washington Irving's "Sketch-Book" and the tales of James Fenimore Cooper. But he got his real sense of the language first from a copy of Cardinal Newman's "Apologia," won as a prize in a handball tournament. Think that over, in terms of athletics as a collateral agency in education! When he was twenty-one he was teaching English; he won a degree in English at Paris in 1890. He was head of the English department at the famous College Stanislaus in Paris, alma mater of Anatole

France and Rostand. In 1919 he delivered the Lowell Lectures at Harvard; in 1923 he was spokesman for France at the Williamstown Institute of Politics. He has traveled widely in America. As few foreigners do, he understands America and Americans. He "talks American."

So he is competent to speak to us of deep things in our life; yet what he speaks of is not in any parochial sense American. His is the language, the thought, the problem of man everywhere, at all times.



ABBE ERNEST DIMNET

A really learned man is rarely able to discuss profound problems of ethics and philosophy in such a natural and altogether simple way as does Abbé Dimnet. The reading of his books is almost the equivalent of sitting down with a man who is both wise and good for conversation and counsel. Amidst the distractions of a world in which people are clamoring for the things that they want, where they are pressed by anxieties because they cannot get the things they desire, the counsel of Abbé Dimnet sounds a calm and reassuring note.

South American Nations Grappling With War, Revolt, and Depression

(Concluded from page 1)

ancient documents to prove their rights. But they have never been able to reach a settlement and both are today bent on winning the Chaco by force of arms. Bolivia wants it because it would give her an outlet to the sea through the Paraguay River. Without such an outlet, Bolivians claim that their economic progress is hampered. Paraguay looks upon the Chaco as a region rich in natural resources. It is larger than Paraguay itself and Paraguayans do not look kindly upon the possibility of having Bolivia right at the front door of their capital, Asuncion.

The Leticia Incident

The danger of war between Peru and Colombia arises also from a boundary dispute. The focal point is Puerto Leticia, a small town located on the upper Amazon where the boundaries of the two countries meet. In 1922, a treaty was signed which gave the town to Colombia. Since 1927, when Colombia actually took possession, agitation against the treaty has been violent among certain groups in Peru, particularly the students. On September 1 of this year, some 300 Peruvian civilians stormed Leticia and claimed it for their country. Colombians became furious. Appeals were made to national pride and patriotism in both nations. Leticia had become a matter of serious concern. It was not long before both countries were sending troops and supplies to the region to uphold their "rights."

Internal Conflicts

Of the internal conflicts, the Brazilian affair was of course the most extensive. The rebels of Sao Paulo, largest and richest of the Brazilian states, underwent defeat at the hands of the federal government early in October. The government is now seeking completely to extinguish the political flames which caused so much distress during the civil war. It has not used a ruthless hand in dealing with the rebels. The president, Getulio Vargas, has announced definitely that general elections will be held next May, thus assuring the revolutionists that the country will soon be returned to a constitutional form of government. It was the president's failure to call early elections that caused the revolution.

The situation in Chile is more uncertain and complicated. General elections

were held in that country last Sunday. But regardless of those elections, Chile is not assured of a stable government for some time to come. The country is divided into several hostile camps. On the one hand are the military groups, often divided among themselves. They have practically dominated Chilean politics for years. But they are meeting strong opposition by the working classes, many of whom have accepted Communism as their political faith. With more than 200,000 unemployed in the country, there is widespread agitation for reforms which will benefit the proletariat—the workers. But they do not appear to be strong enough to control the government and meet opposition from other quarters. Any government pledged to their support is immediately attacked by the military groups. This conflict accounts, in large part, for the six government turnovers in Chile during the past five months.

A mere recital of these events does not, however, explain the fundamental causes of the uneasiness which prevails throughout the South American continent. In looking for such causes, there are certain facts which stand out. First, it should be remembered that unsettled conditions began to prevail about three years ago. Since that time, internal revolutions have caused the governments of all but three of the republics to fall. And there is a direct relationship between these upheavals and the economic depression. The disturbances now threatening have their roots in the depression. Such a relationship becomes evident when we look at the make-up of the more important countries.

One-Crop Countries

The prosperity of practically every South American nation is dependent upon one, two or three crops. Each supplies certain foodstuffs or raw materials to the industrial nations of the world. Seventy-eight per cent of Chile's exports are made up of nitrates; tin makes up 92 per cent of Bolivia's; petroleum, cotton, sugar and copper the bulk of Peru's; three-fourths of Brazil's exports are coffee; more than half of Argentina's and Uruguay's exports are agricultural products. Now, high prices for these crops mean prosperity for South America, low prices poverty. When these products are bringing in large sums, the governments have little difficulty

in raising money to pay their expenses; when the prices fall, they face serious problems.

Most of the South American countries have borrowed so much money from abroad—particularly from the United States—that they must raise large sums each year to meet these obligations. Payment on these debts takes up about one-third of all the revenue of the government in most countries. In other cases, the amount necessary for foreign loans is even greater. The South American countries owe more than \$3,000,000,000. The interest on such a sum is very large. But it could be paid when conditions were good and prices were high. However, when the bottom fell from the principal South American products, the governments were obliged to default payment on their obligations. They had to tell their creditors that they could no longer pay. Thus, approximately \$1,000,000,000 worth of South American bonds held by people in this country are today in default.

Role of Military

But that is only half the story. Another item of governmental expenditure is the military. All South American republics spend a great deal of their revenue for the army and the navy. From one-fifth to one-third of all government revenues must be spent for that. And, throughout the years, the military has come to occupy such an important role in the politics of every country that no government dares cut down military expenses. The minute it does, the army and navy are up in arms and force it to resign.

So the military salaries and expenses must be paid and the taxpayer is called upon to contribute larger sums. This be-



SOUTH AMERICA
—Prepared for CIVIC EDUCATION SERVICE

comes difficult at a time when unemployment is on the upgrade, incomes are vanishing because of the depression, and general conditions are unfavorable. The people object. They blame the government. The government itself is between two fires. If it displeases the military, it can be forced from office and if it has to increase taxes to meet military expenditures, it incurs the wrath of the working classes.

THOUGHTS AND SMILES

Good, the more communicated, more abundant grows.
—Milton

An author says that women in China do pretty much as they please. Thus another of our so-called Western inventions traces back to the mysterious East.
—Detroit News

At the Street and Highway Safety meeting in Washington they canvassed every means of accident prevention save putting the back-seat driver in an opaque, sound-proof box.
—Philadelphia Evening Bulletin

For perfect success at a disarmament conference the first essential is the disarmed mind.
—Dr. Mary Emma Woolley.

In these days, if a stranger speaks pleasantly to you, you'll know he is a candidate for something.
—New York Herald-Tribune

All we know to do is just to keep on keeping on.
—Ashland, Mo., Bugle

A book mailed from Princeton on Friday reached this office on Monday. If student motorists would reduce their speed to the post office's leisurely rate, there would be fewer fatal accidents.
—Philadelphia Inquirer

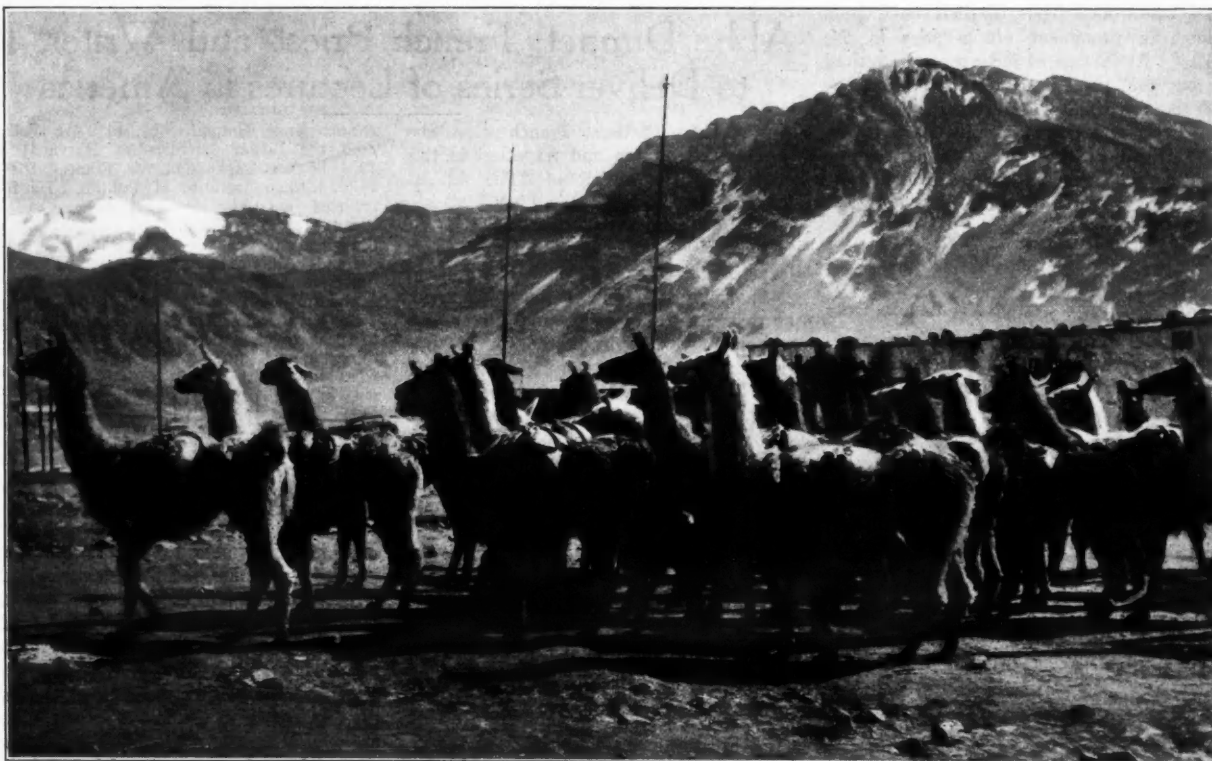
It takes a strong microscope to tell the difference between some of these campaign statistics and downright whoppers.
—Boston Transcript

He is exempt from failures who makes no efforts.
—Whalley

Investors in public utilities who are unable to get any of their money back now know what a "holding company" is.
—Memphis Commercial Appeal

Hay-fever cures are consistent, anyway. It isn't a fever and isn't caused by hay and they don't cure it.
—San Francisco Chronicle

PRONUNCIATIONS: Dino Grandi (dee'no grahn'dee), Benito Mussolini (be-nee'to—e as in met, o as in go); moos'so-lee'nee), Lousanne (lo-zan'—o as in go, a as in hat), Chile (chee'lee), Asuncion (a-soon-se-on'—o as in go, a as in final), Apristas (a-pres'tas—a as in art), Delatorre (day-lah-tor'ray).



© Ewing Galloway

A LLAMA CARAVAN HIGH UP IN THE ANDES OF PERU

These animals have strapped on their backs small though heavy bags of copper concentrates from one of the numerous mines in the Andes.